

Low-Income Housing Income Tax Credit - Transfer of Project to Pass-Through Entity

When must the developer of a qualified development transfer the project to a pass through entity in order for the pass through entity to receive the Colorado low-income housing income tax credit?

The transfer to a partnership, LLP, S Corporation or other pass through entity must take place prior to the end of the tax year during which the development is placed in service. The law specifies that the owner of the project receives the tax credit for each year during the four-year credit period, which begins with the taxable year when the qualified development is placed in service.